

Regulator Is Said to Fine Fiat Chrysler \$70 Million

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[Fiat Chrysler](#) is expected to pay the federal government as much as \$70 million in penalties for significantly underreporting the number of death and injury claims tied to potential defects in its cars, according to a person briefed on the fine.

The penalty, expected to be announced as early as Thursday, is the second time this year that the automaker would pay a multimillion-dollar fine in relation to safety problems.

In July, the [National Highway Traffic Safety Administration](#) levied a penalty against the company that could reach \$105 million over its handling of multiple recalls affecting more than 11 million vehicles.

A Chrysler spokesman declined to comment as did the auto safety agency.

In September, [regulators at the safety agency said](#) Fiat Chrysler had failed to disclose claims that blamed vehicle defects for serious deaths and injuries, as is required by law under a system called Early Warning Reporting.

At the time, the agency's administrator, Mark Rosekind, said that early information pointed to flaws in the automaker's systems for gathering and reporting the data and characterized those flaws as representing "a significant failure to meet a manufacturer's safety responsibilities."

Now, the agency has completed its investigation and settled on a penalty. The maximum penalty under the law is \$35 million, so the \$70 million most likely represents two violations.

The death and injury disclosure system is aimed at helping regulators identify potential defects. It was put in place in 2000, after a wave of highway rollovers in Ford Explorers with Firestone tires.

A former head of the safety agency said the Fiat Chrysler penalty is overdue.

“Chrysler has been violating the law with impunity for too long,” said Joan Claybrook, a former administrator of the National Highway Traffic Safety Administration and a longtime consumer safety advocate. “I’m surprised it’s only \$70 million.”

The penalty is only the latest in a series of escalating fines issued by the safety agency.

In October, regulators imposed a record penalty on Takata, the Japanese supplier that produces defective airbags whose components can rupture violently, sending metal flying at passengers. In that case, Takata could pay as much as \$130 million if it does not live up to the terms of its agreement with the safety agency.

And in January, Honda agreed to pay \$70 million in fines for significantly underreporting death and injury claims under the Early Warning Reporting system. In that case, more than 1,700 deaths and injuries over an 11-year period were not reported to regulators. At the time, the penalty was the largest ever imposed on an automaker by the safety agency. Honda’s penalty followed one imposed in October 2014 on Ferrari, for \$3.5 million, because it failed to submit any Early Warning reports on fatal accidents.

The agency is currently authorized to impose a maximum fine of \$35 million for each violation, though that number is set to increase. Congress recently passed a transportation bill that would allow the agency to levy a fine capped at \$105 million, but the change won’t go into effect until the agency has issued a final rule, according to the legislation.

“Chrysler just made it in under the wire,” Ms. Claybrook said, referring the penalty.

The cap was criticized by many lawmakers last year when regulators imposed a penalty of \$35 million on G.M. after it failed to report for more than a decade a deadly ignition defect. At the time, the defect was linked to 13 deaths. It is now linked to at least 124.

The penalty was reported by Reuters and The Wall Street Journal.

It could come just days after the highway safety agency’s announcement that it will [overhaul a rating system](#) for cars that has for years awarded high marks to almost all vehicles. The action is another move against the auto industry for the agency, which came under withering criticism last year from lawmakers in congressional hearings for not being aggressive enough on the industry it is charged with overseeing.

Last September, an investigation by [The New York Times](#) found that, during the last decade, the agency had often been slow to identify and act on safety defects, and reluctant to use its full legal powers against automakers.